GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1469
ANSWERED ON TUESDAY THE 15TH MARCH, 2022

PENALTY ON TYRE MANUFACTURES

QUESTION

1469. SHRI JOHN BRITTAS:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that Competition Commission of India (CCI) has imposed penalties on tyre manufactures for cartel activities;

(b) if so, the names of the tyre companies and the penalties imposed thereon;

(c) the maximum of penalty that can be imposed in such cases of cartelization as per the Competition Act, 2002;

(d) whether lesser penalty was imposed on the tyre manufactures; and

(e) if so, the reasons therefor including the details of applicability of Section 46 of the Competition Act, 2002 in the matter?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a)&(b): The Competition Commission of India (‘Commission’) imposed penalties of Rs. 425.53 crores on Apollo Tyres Ltd., Rs. 622.09 crores on MRF Ltd., Rs. 252.16 crores on CEAT Ltd., Rs. 309.95 crores on JK Tyre and Industries Ltd., Rs. 178.33 crores on Birla Tyres Ltd. and Rs. 8.41 Lakh on their association i.e. Automotive Tyre Manufacturers Association (ATMA) respectively.

(c): As per Section 27(b) of the Competition Act, 2002, the Commission may impose such penalty, as it may deem fit which shall be not more than ten percent of the average of the turnover for the last three preceding financial years, upon each of such person or enterprises which are parties to such agreements or abuse:

Provided that in case any agreement referred to in section 3 has been entered into by a cartel, the Commission may impose upon each producer, seller, distributor, trader or service provider included in that cartel, a penalty of up to three times of its profit for each year of the continuance of such agreement or ten percent of its turnover for each year of the continuance of such agreement, whichever is higher.

(d)&(e): No lesser penalty was imposed on the aforesaid tyre manufacturing companies.

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